

FOCUS ON OECUSSI: FACT SHEET ON USAID'S PROJECTS IN THE ENCLAVE

USAID'S CURRENT PROJECTS IN OECUSSI

I. Microfinance

To date, a total of \$300,000 has been lent to small entrepreneurs in Oecussi with assistance from USAID's Private Sector Development Project (DSP). USAID-assisted microfinance institution Moris Rasik opened its first branch in Oecussi in February 2006, and just a few months later, opened its second branch in the district. People are given loans to start a business if they submit a good business plan that will show they can re-pay on time.

As of December 2006, the microfinance branch office had:
Active clients: 1,149
Active borrowers: 909
Amount circulated for microcredit: \$300,000

II. Numeracy and Money Management Trainings

About 300 women have been trained in basic numeracy and bookkeeping so far through grants awarded by USAID's Small Grants Program to the Oecussi Women's Support Forum or *Forum Peduli Wanita Oecussi* (FPWO), a local NGO and cooperative. FPWO also provided the women cooperative members specific training on money management, basic business concepts and administrative skills. The cooperative members take out loans to sell products like gasoline, diesel, kerosene, second-hand clothes, rice, and other household items. There is a noticeable increase in the women members' activities at the Tono market every Tuesday and Saturday. USAID intends to expand the program to include literacy and numeracy training for illiterate cooperative members.



Financial Management Training Translates into Trade for Oecussi's Women

February 14, 2006



In Timor-Leste's Oecussi-District, a local NGO is boosting women's economic opportunities by offering training courses to credit union members. The Oecussi Women's Support Forum (*Forum Peduli Wanita Oecussi*, FPWO) has established 10 credit union cooperatives that now have 300 members. A

recent FPWO project funded by USAID's Small Grants Program provided much-needed financial management skills training to 50 women who are board members of FPWO credit unions.

FPWO's training aimed to improve the overall management of its member credit unions. It included sessions on bookkeeping, numeracy, and financial management, and how to run a small-scale business. The women who participated rated the training a success, particularly in helping them to better organize their credit unions and attract new members.

Most credit union members are actively involved in small business. They rely on the credit unions not only for the initial loan, but also for training in money management skills and support in their repayment efforts. Typically, these women sell vegetables, rice, fuel, and second-hand clothes on market days in Oecussi's main towns. According to Cicilia Oki, her small business is very profitable, thanks to the start-up loan from one of FPWO's credit unions.

She goes to Dili, Timor-Leste's capital and largest city, every week to buy second-hand clothes to bring back and sell in four markets in Oecussi. Oki says she can buy one large bag of clothes for \$40 and sell the items individually for a total up to four times as much. USAID supports the work of FPWO to open the door of entrepreneurship to many women in Oecussi.

FPWO's credit union members and training courses have helped improve the business environment in the district, which suffers significantly from its separation from the rest of Timor-Leste. FPWO has also helped to increase the income of these women and their families, an important part of USAID's effort to help accelerate economic growth in the young country.

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III. Cross-Border Trade and Commerce Dialogue

USAID is funding through The Asia Foundation (TAF) a cross border program planned to start in February 2007. The Asia Foundation (TAF) will be working with local partner *Fundação Fatu Sinai Oecussi* (FFSO) to facilitate cross-border dialogue and increase legal trade options to residents along the Timor-Leste and Indonesian land borders. Preliminary work on cross-border dialogues conducted by FFSSO on its own thus far have proved successful in reducing tensions along the border. Through the dialogues, several communities from both sides, for example, came up with special agreements to allow community members to cross in an emergency or special situation, provided that community leaders from both sides are informed beforehand. The border communities also agreed to let livestock cross the border and return every afternoon. In addition, the preliminary cross-border dialogues were useful in providing better information to isolated communities about the laws and trade policies, which can reduce illegal trading in the future.

IV. Access to Justice

Common problems in the district include land disputes, stealing of livestock in the borderland, and domestic violence. With assistance from The Asia Foundation (TAF), lawyers from the legal aid group *Fundação Fatu Sinai Oecussi* (FFSO) have been conducting legal education workshops in the local language, Baikenu, for village leaders. Topics covered include procedures for civil and criminal cases, rights of suspects and victims, land laws and regulations, rights and responsibilities of citizens, and immigration laws. FFSSO also provides on-the-job training to six interns. Finally, FFSSO provides free legal aid services to women and disadvantaged citizens. During the period April through September 2006, FFSSO successfully handled 62 cases. Criminal cases accounted for 18 cases and 44 cases were civil cases. Among the civil cases, 6 were referred from the court, 33 from community leaders, and 5 from clients. FFSSO handled 18 of the 62 cases through litigation and 44 through mediation.

V. Food Aid

As part of a three-year, \$14 million program in Timor-Leste, WFP has distributed nearly 470 metric tons of food aid in Oecussi, reaching over

22,000 beneficiaries. Targeted beneficiaries include children under five, pregnant and lactating women, students participating in a school feeding program, and internally displaced persons. Having provided nearly \$3 million, or 20 percent of the total, the U.S. Government is the largest contributor to WFP's program in Timor-Leste.

VI. Economic Advisor to the Secretary of State

USAID, through the United Nations Development Programme, is also funding a senior economic advisor to the Government's Secretary of State for Oecussi, one of several expert advisors placed within the Government to help it develop practical economic, development, and investment policies and legislation to encourage the expansion of the private sector.

HIGHLIGHTS: USAID'S PAST PROJECTS IN OECUSSI

Since 2000, when the refugees displaced by the 1999 violence began returning from West Timor, USAID has supported several projects in Oecussi, including the following:

Disaster Response

After homes and farms were hit by severe flooding during the rainy season in 2006, USAID supported the Ministry of Labor and Community Reinsertion and the Ministry of Public Works by bringing building materials and flood-control technology to the worst-hit area. The grant helped rebuild destroyed homes and line the bank of a major river with gabions (large wire baskets filled with stones) to protect residents from future flooding. This is, however, just a short-term solution to a major problem, which is caused by massive soil erosion due to deforestation and slash-and-burn agriculture.

Supporting Media

Lack of information is a serious problem in Oecussi. If the people are to be effective participants in their democracy, they have to be informed. To help remedy the situation, USAID provided in-kind assistance to the weekly paper *Lifau Post* to enable it to operate and provide much-needed information to the community.

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A grant was also given to mobile broadcaster *Radio Rakambia* to help publicize village chiefs and village council elections in 2004.

Agricultural Development

On three occasions, USAID assisted the *Asociasaun Haburas Capacidade Atoni Enclave* (AHCAE) to provide agricultural training to Oecussi's farmers using traditional plowing methods with buffalo and organic fertilizer. The last time the training was conducted, it was done over a course of five months, or one harvesting season.



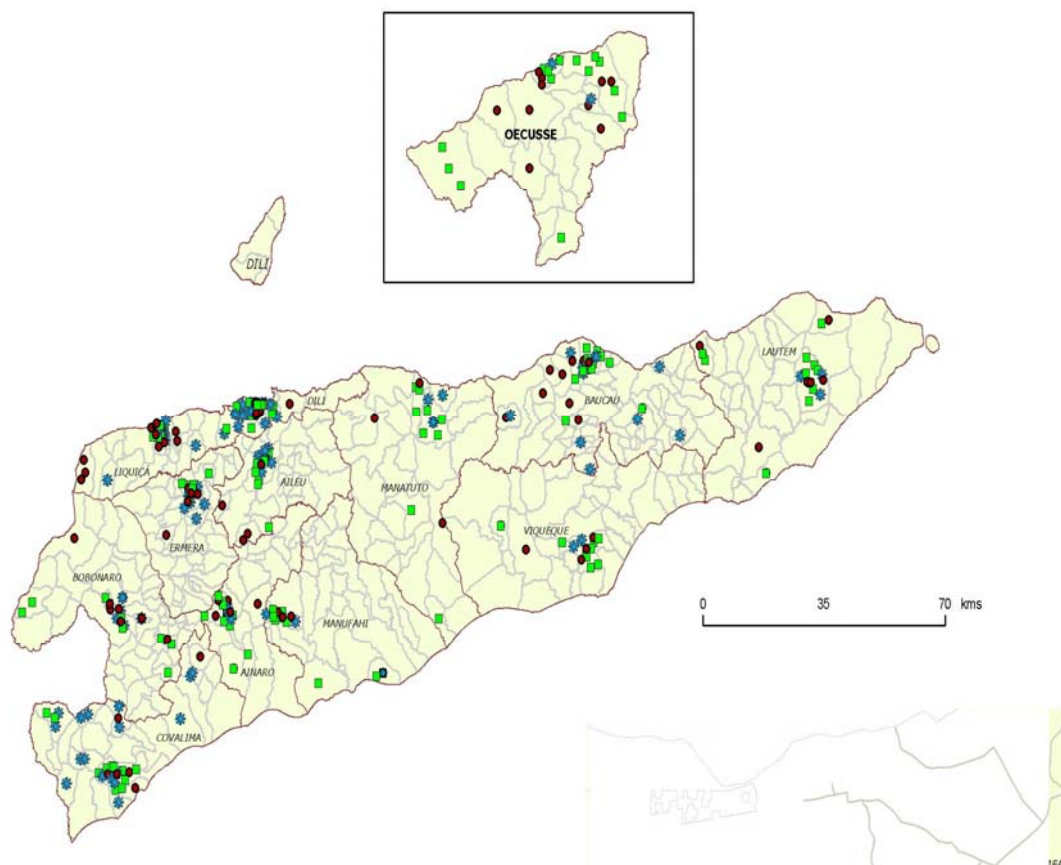
POSTSCRIPT: THEY HAVE THE GOODS, BUT WHERE IS THE MARKET?

The women's cooperative members in the village of Nekaf Mese are happy with the numeracy and money management trainings they received from USAID's Small Grants Program. "It was very practical," said Joana Falo, one of the members. Their husbands were also very supportive. The women are ready to start businesses, but finding a good market for their goods is a problem. Their idea is to sell the *membramo* rice (local Oecussi rice) large-scale, but, they say: "We have to find a good local market for our product". They are looking to the Government or donors to help them access the market. They are pinning their hopes on the possibility of a "free market" being established in the border area soon. This is a recurring refrain in Oecussi today. One finds in the remote village of Nitebe, for example, a cattle owner who sums up his situation thus: "I have 500 cows, but no buyers."



PROJECTS IN THE ENCLAVE: USAID'S SMALL GRANTS PROGRAM ACTIVITIES BY STRATEGIC AREA OF FOCUS

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Grant Activities Locations by Strategic Area

●	SO 1: Accelerated Economic Growth (95)
■	SO 2 : Key Foundations of Governance Strengthened (152)
★	SpO 3: Improved Health of Timorese People (92)
□	District Boundary
▤	Suku Boundary

Brief Information		
Distrito Oecussi		
Capital: Pante Macasar		
Area: 814 sq. Km.		
Population:	1990	2004
Female :	24,170	28,968
Male :	24,809	28648
Total :	48,979	57,616
People per sq. Km:	60	71
Main Language: Baikenu and Atoni		